

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: O'Connell Analyst: Kristina North Bill Number: SB 680
Related Bills: See previous analysis Telephone: 845-6978 Amended Date: April 27, 1999
Attorney: Patrick Kusiak Sponsor:

SUBJECT: 1999 California Land & Water Conservation Act/Qualified Contributions Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED FEBRUARY 24, 1999, STILL APPLIES.

☒ OTHER - See comments below.

SUMMARY OF BILL

This bill would establish the California Land and Water Conservation Act of 1999 within the Public Resources Code and would establish tax credits within the Revenue and Taxation Code. This analysis addresses the provisions of the bill that pertain to the department and the tax credits.

Under the Personal Income Tax Law and the Bank and Corporation Tax Law, this bill would allow a tax credit to taxpayers who donate real property (as defined) to the state, approved local governments, or approved nonprofit organizations designated by the state or local government. The amount of tax credit would be 55% of the fair market value of the qualified contribution and limited to the amount appropriated by the Legislature.

SUMMARY OF AMENDMENT

The April 27, 1999, amendment:

- ◆ clarified that the amount of the tax credit is limited to the amount appropriated by the Legislature;
- ◆ specified a seven-year carryover period;
- ◆ specified that an Franchise Tax Board opinion that the contribution of the property would qualify as a charitable contribution under federal tax law would be advisory only and would not affect the secretary's ability to accept or decline property;
- ◆ added the Department of Forestry and Fire Protection and the State Lands Commission to the definition of "department"; and

Board Position:

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Department/Legislative Director

Date

Johnnie Lou Rosas

5/21/1999

♦ made other nonsubstantive, technical changes.

Except for these changes, which partially resolved two policy considerations and the technical consideration by specifying a carryover period and limiting the amount of the credit to the amount appropriated by the Legislature, the remainder of the department's analysis of the bill as introduced February 24, 1999, still applies.

BOARD POSITION

Pending.